

THE HOME BUYING PROCESS

1. Seller's Disclosure

Once you discover a home you would like to place an offer on, it is important to review the Seller's Disclosure. Its purpose is to reveal any known defects the seller is aware of that could affect your offer to purchase. After thoroughly reviewing the disclosure statement, your buyer's agent will help you determine on how it might affect your offer.

2. Submitting the Offer

As your buyer's agent, he or she will provide you with a market analysis and consider any defects known at the time of the offer before an offer price is established. After an offer price has been established, your buyer's agent will ensure it meets your needs and provides a solid basis for negotiating with the seller.

3. Negotiating the Offer

Your buyer's agent will present the offer to the listing agent and negotiate for you. The seller will have a choice of accepting the offer as it is, rejecting it completely or responding with a counter offer. Your buyer's agent will share the seller's response with you and will provide other negotiating options, as necessary. The process of negotiation could be a very short process or it could take a few days to arrive at an acceptable agreement.

4. Title and Option

Once the offer is accepted, your option period will begin the following day after the offer is signed and initialed by all parties involved. The option period is between 7 and 10 days, or whatever was agreed upon in the contract. The earnest money (good faith money), option money and the contract will be delivered to the title company. Both earnest and option money will reduce the money you are required to bring to the table, depending on what was agreed upon in the contract. The title company issues a title insurance policy based on a search of public records that discloses whether any others have legal claim to the property. It insures you against loss due to certain title defects.

5. Inspection

During the option period, you will have time to hire a professional inspection company to inspect the home, review the inspection report and have time to negotiate repairs, if any, with the seller. If for any reason you do not purchase the home during the option period, the most you will lose is your time and your option money. The earnest money is refundable to you by the title company if you should back out of the contract anytime during your option period.



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6. Home Warranty

It is a policy that provides repair-or-replace coverage for large items within your home such as the Heating Venting Air Conditioning (HVAC), wiring, electrical and plumbing. A home warranty can be purchased by you or by the seller, as agreed upon in the contract. This policy is decided upon by the buyer. When you have made your decision of which company to utilize, your buyer's agent will share the information with the appropriate personnel to ensure the correct policy is ordered.

7. Lending Requirements

Once all negotiated repairs are complete and you are comfortable moving forward with the home, your lender will order the appraisal to satisfy the underwriters' requirements. At this point, it is important that your loan officer has sufficient information from you to obtain an approval. If there are any items you still haven't provided to your lender for approval, we recommend gathering and submitting any outstanding items immediately.

8. Underwriting and Approval

After the appraisal is complete, the appraisal and any items not previously submitted to underwriting will be submitted for final approval. Once the lender issues the final approval, the title company will work with the lender to provide necessary title costs and additional information to facilitate a closing. Once the lender has approved the HUD-1 or Settlement Statement, you are prepared to close on your new home.

9. Walk Through

It is common to do a walk through of the house a few days prior to closing to ensure the home is in order and all repairs agreed upon are done. This lets you confirm the condition of the property and if a concern should arise, your buyers agent will help you resolve it.

10. Closing

The closing will take place at a title company with an escrow officer and your buyer's agent or the broker will be at closing to answer any questions you may have. The escrow officer is responsible for facilitating the closing, including ordering mortgage payoffs, prorating taxes, reviewing the title commitment, ensures all documents are signed on behalf of the lender and they collect and disbursing funds as needed. If you are required to bring any funds to closing to the title company, they can be brought in the form of a cashier's check or be wired directly from your bank.



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